Annual Report 1982-83

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Saskatchewan Co-operation and Co-operative Development

for the fiscal year ending
March 31, 1983

Minister
Hon. Jack Sandberg

Deputy Minister
Bill Reader

**Saskatchewan
Co-operation and
Co-operative
Development**

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Regina, Saskatchewan
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Letters of Transmittal

The Honourable Frederick W. Johnson
Lieutenant Governor
Province of Saskatchewan

Sir:

I have the honour to submit herewith the 39th annual report of the Department of Co-operation and Co-operative Development for the fiscal year ended March 31, 1983.

Respectfully submitted.

Jack Sandberg
Minister
Saskatchewan Co-operation
and Co-operative Development

The Honourable Jack Sandberg
Minister of Co-operation and
Co-operative Development
Regina, Saskatchewan

Sir:

I have the honour to submit for your consideration the annual report of the Department of Co-operation and Co-operative Development for the year ended March 31, 1983.

Respectfully submitted.

Bill Reader
Deputy Minister

Introduction

The past year was a year of transition, consolidation and accomplishment. A comprehensive review of the department conducted by my predecessor, Dale Folstad, set up many initiatives that will carry into the future.

Through consultation with co-operative and credit union officials and through public meetings, the department was able to assess the concerns and needs of a variety of co-operatives located in the province. These consultations helped to shape department policies and programs, and they will continue to be a high priority for the department in the future.

To meet identified needs, the department designed and implemented programs and measures to provide stronger technical support and responsive legislation to Saskatchewan's co-operative sector. The department structure was consolidated to four branches as part of a plan to effectively deliver these new programs, and to efficiently use department resources.

Emphasis focused on development assistance and training for co-operative boards and management. Financial analysis was a key area of assistance for both aligned and non-aligned co-operatives.

Widespread acceptance of the department's rewrite of the Co-op Act comes as a major achievement. The Act, now ready for the legislative process, was well received in all areas of the co-operative sector. The consensus achieved indicates a good working relationship exists between co-operatives and government.

Following consultation with the Legislative Review Committee of Credit Union Central, revisions to the Credit Union Standard Bylaws were completed and approved by Order-in-Council. Preliminary work on changes to the Credit Union Act began during the year, using the same procedures followed during the Co-op Act consultations.

Other initiatives started during the year included:

- a Farm Machinery Agency Co-operative Program designed to confer significant economies of scale to small farmers;
- a new co-operative housing program, combining the sweat equity option with other provincial housing programs;
- a pilot project with Federated Co-operatives Limited to provide an early warning system of financial analysis for the protection of member equity.

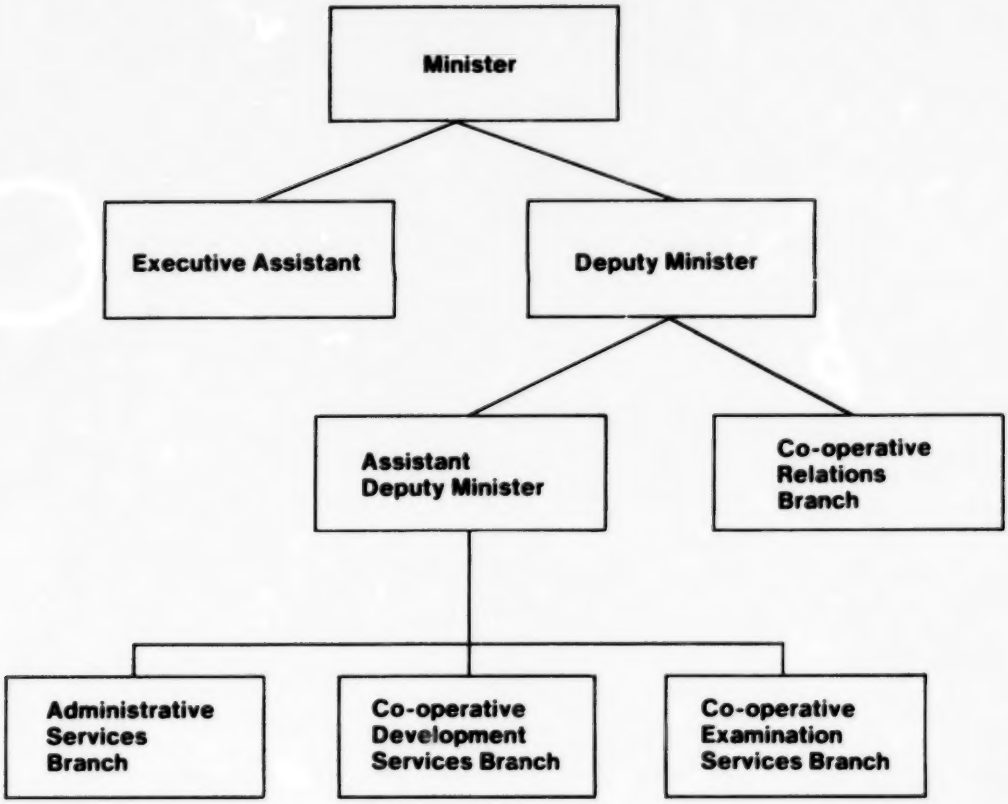
The incorporation of 107 new co-operatives during the year indicates that co-operative enterprise continues to be an attractive form of business organization in Saskatchewan.

In the coming year, the department will continue to plan and implement exciting and pertinent programs designed to strengthen co-operative awareness, co-operative business practices and co-operative development in the province. Emphasis will be placed on developing staff expertise in the delivery of these programs. The department will also continue to liaise with other departments of government on behalf of co-operatives and distribute information about other provincial government programs applicable to co-operatives.

Close consultation with representatives from all areas of the co-operative sector will provide the department with a measure of its effectiveness. The department will work to assist co-operatives to continue to be a credible, viable and dynamic partner in the economic development of the province.

Bill Reader
Deputy Minister.

Organizational Chart



Objectives

The department's objectives are to promote awareness of the benefits of co-operation and to facilitate the organization and operation of viable, self-sufficient co-operative enterprises which benefit the member, and contribute to the overall growth of the province.

Administrative Services Branch

- provides general administrative support for department functions and programs;
- co-ordinates the development of department budget;
- provides resource materials and workshops to educators in schools and universities, and to other interested parties;
- provides a consulting service for co-operatives;
- reviews and prepares all required legislation;
- provides financial assessments and follow-up for all grant, loan and guarantee applications;
- acts as a secretariat for the Co-operative Guarantee Board.

Support Services

The branch provides the general administrative support required by the other branches of the department. This support includes personnel, accounting and expenditure control, office space and supplies. The branch provides accounting records and management information on the department's expenditures and operations.

Employee Training

During the year, the branch supported a program of employee performance appraisal within the department to ensure better communication with employees on their progress in meeting performance objectives. The brach co-ordinated the attendance of 35 staff at 54 courses and seminars designed to improve the skills and knowledge of employees and to enhance their ability to meet the department's objectives.

Budget Co-ordination

The branch assisted in the co-ordination of the budget and organized the human resources required to meet overall department objectives. The branch also provided fiscal forecasts to assist management to use its resources.

Co-operative Education Unit

This unit provides resource materials and workshops on the Co-operative Learning Model and Co-operative Games to the school program from kindergarten to grade XII. The unit also provides workshops to the University of Regina and the University of Saskatchewan staff who are interested in co-operative education.

During the year, three students received awards from the Saskatchewan Government Co-operative Bursary Program for advanced studies in the area of co-operatives and co-operation.

Consulting Service

The branch provides management consulting advice to non-aligned Saskatchewan co-operatives in the areas of planning, operations, finance, marketing and control. The branch also helps in locating financial assistance from other provincial and federal government departments.

The consulting service provided by the branch is supplementary to the service provided by the Development Services Branch. The Administrative Services Branch assesses the feasibility of complicated projects or situations on request from the Development Branch. Consulting advice may be given directly to the co-operative or indirectly through the Development officers.

Special projects are also handled by the branch on behalf of the other branches of the department. One of the special projects undertaken was the development of a farm machinery agency co-operative model that would confer significant economies of scale to small farmers (700 - 900 acres) without the tax disadvantages of previous models. Branch statistics indicate that each member could save up to $70,000 of capital cost on new equipment and $10,000 of annual operating cost.

Legislation

Credit Unions

Early in 1982, the branch, following consultation with the Legislative Review Committee of Credit Union Central, completed an extensive review and revision of the Credit Union Standard Bylaws, which were approved by Order-in-Council in July, 1982. During the consultation process, the need to update the Act itself became apparent. Some preliminary work on the update has begun, and it will become a priority item following completion of the new Co-operatives Act.

Meetings were held with credit union presidents and managers in December, 1982 to assess the impact of the revised Standard Bylaws and, as a result, further changes were prepared.

The branch also, at the request of the Mutual Aid Board, prepared amendments to The Credit Union Act regarding the name of the Mutual Aid Board for introduction in the Spring Session of the legislature in 1983.

Co-operatives
Co-operatives in Saskatchewan have been operating primarily under one of three Acts: The Co-operative Associations Act, which was originally passed in 1913; The Co-operative Marketing Associations Act, originally passed in 1926; and The Co-operative Production Associations Act, originally passed in 1967. These pieces of legislation covered the basics for co-operatives of a very simple type of operation. However, many of our co-operatives have since developed into complex, sophisticated operations.

Changes to the original Acts have been largely piecemeal with sections added or changed here and there as the need arose. The result was a patchwork type of statute which was unnecessarily specific on some points and silent on others.

While sporadic work had been done on a new Act for some years, a decision to complete the work was made in May, 1982.

To obtain public involvement, more than 2,000 copies of a discussion paper prepared by the branch were distributed in June, 1982. Ten public hearings followed in July to obtain comments from interested persons on the direction of the new Act.

The branch had a new Act ready for introduction to the Legislature by the end of March, 1983. To ensure the Act met the needs of the majority of co-operatives in the province, numerous meetings were held with specific groups to discuss various provisions. These meetings included co-operatives, co-operative federations, government departments and various legal counsel.

An Act Review Committee with co-operative and government representatives reviewed various drafts and discussion papers and assisted in ensuring the Act represented a consensus on contentious issues.

Some preliminary work was also done on the required bylaws and regulations under the new Act.

Grant, Loan and Guarantee Applications
The branch provided financial assessments and follow-up for all grants, loans and guarantee applications. Follow-up protects the interests and investments of the co-operatives as well as of the government.

Secretariat for the Co-operative Guarantee Board
The Branch acts as secretariat for the Co-operative Guarantee Board (see Report of Co-operative Guarantee Board).

Co-operative Guarantee Board

The Co-operative Guarantee Board was established in 1947 under the provisions of The Co-operative Guarantee Act (R.S.S. 1978, Chapter 35). Members of the Board as of March 31, 1983 were:

Membership of the Board
Mr. Dale Folstad, Regina, Chairman
Mr. Les Cowen, Silton
Mr. Morley I. Meiklejohn, Regina
Mr. Robert Linnel, Weyburn
Mr. Henry Zacharias, Meadow Lake
Mr. Winston G. Ho-Fatt, Regina, Secretary

Purpose
The government, through The Co-operative Guarantee Act, acts as a guarantor of last resort to assist in the development of viable co-operative enterprises. The Co-operative Guarantee Board approves guarantees for projects, which are potentially viable and can be of economic and social benefit to the people of Saskatchewan, but which cannot be financed through conventional lenders because of a variety of factors. Such factors might include the novelty of the project, the lack of sufficient equity financing, the location of the business, or the economic status of the members.

The projects are therefore of necessity, high risk in nature.

Background on Operations
Approved lenders may apply for guarantees from the provincial government for the repayment of monies loaned by the lenders. These applications are all reviewed by the Co-operative Guarantee Board, which then makes its recommendations to the Minister.

The board may include among its recommendations: advice on whether all or only part of a particular loan should be guaranteed, what security should be taken, and what conditions should be met before or after a guarantee is granted.

Two of the approved lenders of the board are the Saskatchewan Co-operative Credit Society Limited and Saskatchewan Co-operative Financial Services Limited. They may receive guarantees for loans made to:

- co-operative associations for financing permanent improvements, purchase of farm machinery or livestock, fixed capital requirements, working or seasonal capital requirements, special capital requirements, or housing units;
- credit unions for financing certain secured loans of the credit union of for fixed capital requirements;
- producer marketing boards for financing working or other seasonal capital requirements;
- members of co-operative associations or credit unions for financing purchase of farm land, improvements on farm land, homes in rural areas, farm machinery, livestock, and housing which may not be insured under The National Housing Act (Canada).

The total liability under these guarantees shall not exceed $20,000,000 for each of the above two lenders.

The other approved lenders are the Co-operative Trust Company of Canada and the Northland Bank. They may receive guarantees for loans to:

- shareholders of the organization or members of share holding organizations, for purchases of farm land, improvements on farm land, homes or farm buildings, farm machinery, livestock or housing;
- co-operative associations or credit unions for fixed capital requirements;
- co-operative assocations of a province-wide nature for special capital requirements.

The total liability under these guarantees shall not exceed $5,000,000.

The Co-operative Guarantee Board has, as a resource, the Consulting and Financial Services Section of the Administrative Services Branch which acts as secretariat to the board. This section provides analysis of applications for goverment guarantees and carries out active and detailed monitoring of outstanding goverment guarantees.

Operations During Past Fiscal Year

No new guarantee applications were received for consideration in the 1983 fiscal year.

There were three loan guarantees in effect at February 18, 1983. The amounts of the loans outstanding totalled $3,278,679.80 and the amount guaranteed was $2,903,679.80.

One of the organizations for which a guarantee is in effect is now insolvent. The extent of any loss, at this time, is unknown.

Table I details the contingent liability for loan guarantees provided under The Co-operative Guarantee Act. The annual number of loans approved for guarantees since the establishment of the Co-operative Guarantee Board, are recorded in Table II.

Co-operative Guarantee Act

Table I
Government Contingent Liability

Year Ending March 31	Aggregate Loans Outstanding[1]	Guaranteed Portion of Loan Amounts Outstanding			
		Shared Loss[2]	Other[3]	100%[4]	Total[5]
1949	$ 23,800.00	$11,900.00	$ —	$ —	$ 11,900.00
1950	78,731.55	39,365.77	—	—	39,365.77
1951	128,184.82	64,092.41	—	—	64,092.41
1952	189,479.04	44,449.51	3,600.00	95,780.02	143,829.53
1953	218,629.86	51,471.79	3,610.65	110,872.07	165,954.51
1954	191,915.83	41,208.90	2,100.00	106,698.02	150,006.02
1955	169,697.05	41,711.96	1,183.07	84,695.69	127,590.72
1956	133,515.07	34,930.40	806.49	62,578.95	98,315.84
1957	115,334.78	29,961.83	—	55,411.11	85,372.94
1958	97,986.40	27,596.53	—	42,793.33	70,389.86
1959	100,647.73	27,428.68	—	45,790.37	73,219.05
1960	231,563.52	16,194.67	—	199,174.17	215,368.84
1961	232,522.35	58,862.34	—	114,797.67	173,660.01
1962	281,684.96	53,278.87	—	175,127.22	228,406.09
1963	285,935.71	17,209.58	—	191,516.55	238,726.13
1964	234,571.08	37,886.23	—	158,798.62	196,684.85
1965	180,529.88	29,843.84	—	120,842.19	150,686.03
1966	131,007.09	23,372.64	—	84,261.81	107,634.45
1967	106,125.45	18,644.38	—	68,836.70	87,481.08
1968	106,454.00	14,122.26	—	78,209.47	92,331.73
1969	122,778.61	9,029.78	—	104,719.06	113,748.84
1970	95,088.06	4,336.30	—	86,415.46	90,751.76
1971	79,722.32	262.45	—	79,197.43	79,459.88
1972	332,203.67	262.45	—	331,678.78	331,941.23
1973	168,675.14	112.45	—	168,450.25	168,562.70
1974	1,126,548.53	100.10	250,000.00	692,684.18	942,784.28
1975	2,930,765.84	—	1,006,922.00	1,773,843.14	2,780,765.14
1976	5,896,530.41	—	1,407,232.15	3,517,676.82	4,924,908.97
1977	5,668,066.76	9,703.00	1,241,644.85	3,640,343.01	4,891,690.86
1978	7,850,794.12	—	1,438,763.37	5,121,396.20	6,560,159.57
1979	12,117,254.12	—	5,667,740.84	5,582,997.99	11,250,738.83
1980	6,757,182.18	—	2,766,544.86	3,285,365.96	6,051,910.82
1981	5,344,505.62	—	2,659,148.67	2,310,356.95	4,969,505.62
1982	3,301,714.35	—	2,628,273.79	298,440.56	2,926,714.35
1983	3,278,679.80	—	2,625,000.00	278,679.80	2,903,679.80

(1) Total original loans still outstanding.
(2) Losses shared on a percentage basis.
(3) Losses shared up to specified dollar amount.
(4) Losses guaranteed at 100% to maximum amount.
(5) Balance outstanding (original principal minus amount paid back).

Co-operative Guarantee Act

Table II
Number and Amount of Loans

March 31	Approved		Aggregate Loans Outstanding	
	Number	Amount	Number	Amount
1949	1	$ 23,800.00	1	$ 23,800.00
1950	8	115,500.00	6	78,731.55
1951	9	80,500.00	12	128,184.82
1952	20	274,780.00	16	189,479.04
1953	7	104,600.00	16	218,629.86
1954	1	7,000.00	16	191,915.83
1955	1	16,000.00	14	169,697.05
1956	1	1,000.00	12	133,515.07
1957	3	5,500.00	12	115,334.78
1958	Nil	Nil	11	97,986.40
1959	7	33,600.00	10	100,647.73
1960	6	322,000.00	10	231,563.52
1961	13	451,200.00	15	232,522.35
1962	15	135,100.00	28	281,684.96
1963	11	114,000.00	30	285,935.71
1964	10	114,415.00	22	234,571.08
1965	1	4,000.00	20	180,529.88
1966	Nil	Nil	19	131,007.09
1967	Nil	Nil	14	106,125.45
1968	1	21,000.00	15	106,454.00
1969	4	49,400.00	18	122,788.61
1970	2	60,000.00	15	95,088.06
1971	1	45,000.00	13	79,722.32
1972	3	527,903.00	11	332,203.67
1973	6	1,022,000.00	6	168,675.14
1974	10	2,053,408.00	10	1,126,548.53
1975	19	13,118,906.00	20	2,930,765.84
1976	20	12,556,922.00	29	5,896,530.41
1977	12	4,524,600.00	28	5,668,066.76
1978	12	6,063,000.00	26	7,850,794.12
1979	6	5,058,565.00	23	12,117,254.14
1980	3	1,460,965.00	17	6,757,182.18
1981	4	2,554,000.00	7	5,344,505.62
1982	2	550,500.00	5	3,301,714.35
1983	Nil	Nil	3	3,278,679.80
Total	**219**	**$51,469,164.00**		

Co-operative Relations Branch

- liaison between the provincial government, department staff and the directors, officials and members of Saskatchewan's co-operative sector;
- provides information materials to co-operative organizations and the general public on co-operation and co-operatives, and on the department's policies, programs, objectives and activities.

Co-operative Relations

During the year, branch activies centered on building a good working relationship with all co-operatives in the province, especially the major centrals, as well as working on behalf of co-operatives with other government departments and agencies.

Special meetings were held to discuss co-operative/government relations, resulting in a meeting between Cabinet and co-operatives in October. Co-operatives put forward a joint brief highlighting the various co-ops in the province, their purpose, and topics which required attention by government.

The branch undertook the task of identifying the present concerns and future needs that co-operatives wanted the department to address. Meetings were held throughout the province (at eight major centres), with co-operative leaders and members in attendance, representing most of the types and sizes of co-operatives located in the province.

Meetings were also held with co-operatives such as day care, housing, consumer co-operatives and credit unions. The result was a clear definition of their expectations from the department and government, and a better understanding of overall government responsibility.

Saskatchewan Co-operative Activities Council

The branch provides secretarial services to the Saskatchewan Co-operative Activities Council. The Council is made up of representatives of the co-operative sector and the Department of Co-operation. The Council's aim is to provide a forum which facilitates co-ordination of joint activities between participating co-operatives.

The branch, together with the Saskatchewan Co-operative Activities Council, organized the Co-op Merit Award banquet and presentations. Four outstanding co-operators received Order of Merit Awards, while six received Certificate of Merit Awards.

Receiving the "Co-operative Order of Merit" for outstanding contributions to co-operative development within the province were: J. Edmond Bilodeau (posth.), Donald M. Lockwood, Walter Mills, Breen Melvin.

The "Certificate of Merit" for outstanding co-operative contributions to the community was presented to: Victor J. Easton, Dan Westman, Barney Josephson, Collin Belt, Tobalda Bourassa (posth.), Arthur Doucet (posth.), George Burden (posth.), John Hubbard.

In addition to the Co-op Merit Awards held during Co-op Week, the branch assisted the Council with the distribution of Co-op Week promotional materials to non-aligned co-operatives.

Public Information Activities

Public information activities were designed and implemented to increase the awareness of the co-operative model, and to promote the department's programs and services. These activities included: inquiry service, news media relations, publications, audio visual materials, advertising, public relations, the department resource centre.

Public Inquiry and News Media Relations

The branch responded to numerous requests for information and prepared several news releases and press kits for distribution to the news media. The branch also arranged radio, television and press interviews with department spokespersons in accordance with the department's media relations policy.

Publications and Audio Visual Materials

The branch produced several special interest publications. These publications included: a guide describing the programs and services of the department, a discussion paper on the new Co-op Act, a directory of co-operatives, an Annual Report of Operations of Saskatchewan Co-operatives.

Several pamphlets, booklets and promotional materials were created or revised on the topics of Saskatchewan co-operatives, the co-operative business model, and the role and services of the department. Approximately 50,000 pamphlets were distributed during the year.

Two new audio visual programs on the subjects of "Co-operative Home Building" and "Programs and Services of the Department of Co-operation" were produced to support department co-operative development initiatives.

Pathfinder Project
The branch was a participant in Sask Tel's Pathfinder Project with several co-operative centrals. The Pathfinder Project is a test trial of Canadian Videotex technology. The branch played the role of co-ordinator for the Co-op Closed User Group.

Advertising and Public Relations
New ads developed during the year included: the Premier's proclamation of "Co-op Week", and an ad campaign in support of the "Co-operative Home Building Program".

The branch undertook various public relations activities during the year. These activities included: co-ordination of special events, anniversaries and openings, presentation of plaques and awards, preparation of speech materials for senior department staff, exhibits and displays.

The branch created several new displays during the year. Displays were prepared to promote co-operative careers, co-operative education, co-operative home building, seed cleaning co-operatives, and the co-op merit awards.

The Resource Centre
During the year, department staff increased their use of the Resource Centre. In addition, requests from outside the department for information on co-operatives continues to come from places around the world.

While subscription service to the Field Offices was expanded slightly, subscriptions received directly by the Resource Centre were reviewed and refined to more directly meet the department's needs.

Weekly distribution of clippings and news stories relating to the co-operative sector was expanded.

A vertical file has been put into place and an information sheet on new acquisitions entitled "What's New?" is now circulated to department staff.

The Resource Centre has also assumed the responsibility of condensing and distributing to the co-op audience information on available grants from both the provincial and federal governments.

Co-operative Development Services Branch

- provides information to individuals and groups on the benefits of co-operation, the co-operative model, co-operative principles and practices, and various programs of the department and of government in general;
- assists groups to identify co-operative needs, provides development advice leading to incorporation, advises on viability of potential co-operative enterprise, assists with the preparation of incorporation documentation — including bylaws, memorandum, and viability studies;
- provides management advice relating to:
  a) legislative requirements;
  b) member, board, management disagreements by interpreting legislation ensuring democratic control;
  c) accounting-bookkeeping;
  d) annual returns;
  e) by-laws.
- provides board training in:
  a) the role of the board of directors;
     — traditonal duties and responsibilities;
     — functions of the board;
     — director responsibilities;
  b) bookkeeping and accounting procedures.

Development staff are located in nine regional offices throughout Saskatchewan — Regina, Saskatoon, Prince Albert, Tisdale, Yorkton, Estevan, Swift Current, Kindersley and North Battleford.

Development Co-operative Management Advisors (C.M.A.s) actively work with individuals, groups and organizations providing information on the co-operative model, helping to identify needs, and assisting groups wanting to establish a business enterprise using co-operative principles and practices to incorporate as a co-operative. During the 1982-83 budget year, branch staff held more than 400 meetings to help groups develop and incorporate 107 new co-operatives. These new enterprises include:

- bus line co-operatives incorporated to provide a community service in the area of transportation;
- an employment co-operative incorporated to provide its members with employment driving taxi — the Co-operative Taxi Line Regina Ltd.;

- a federation of seed cleaning co-operatives incorporated to act on behalf of seed cleaning plants;
- several continuing housing co-operatives incorporated to provide housing for their members on an ongoing co-operative basis.

A development program was implemented whereby all co-operatives will be contacted at least once a year to determine what problems if any the co-operative is having, to advise management and the board of directors on legislative requirements and to help resolve any issues or problems.

More emphasis will be placed on helping non-aligned co-operatives. This program of regular contact is designed to be preventative by assisting the co-operative to identify and resolve problems at an early stage. The contact provides the C.M.A. with an opportunity to assess training needs of the co-operative and to discuss other programs of government.

The branch prepared and implemented two new training programs during the year. A day care accounting training program was prepared to assist day care co-operatives to standardize accounting procedures and maintain better control of finances. Department staff conducted eight two-day workshops involving 22 day cares. Twelve of the day care co-operatives adopted the accounting/bookkeeping system prepared by development staff of the department, while seven co-operatives are using components of the training package.

The second training program prepared by development staff outlined basic roles and responsibilities of the board of directors. The program assisted boards to better understand their role, and to identify the various responsibilities of the board and management.

The branch held a total of 103 training workshops with co-op members and boards. Development assistance and management advice was provided to 441 co-operatives a total of 800 times. Staff had 2,088 contacts with co-operatives, members, boards and management, and attended 142 annual meetings.

The branch prepared a program to assist families to build single family dwellings. By working together co-operatively, the home building groups benefit by savings achieved through sweat equity, bulk buying, and shared building experience. As part of a broader housing strategy of government, this program allows members to take advantage of the provincial mortgage interest reduction plan, and other provincial and federal housing programs.

As part of the department initiative to assist staff in making contacts with the native community, a native development co-ordinator was hired for a one year term. The co-ordinator, located in the Development Branch, provided training to developing staff to facilitate co-operative development within the native community. Native groups and organizations received information on the co-operative model, the department and government.

Incorporations

Consumer	2
Community Recreation	3
Community Service	29
Continuing Housing	4
Production Associations	3
Home Building	66
Total	**107**

New Incorporations

Table III
Co-operative Associations incorporated from April 1, 1982 to March 31, 1983.

Incorporations	Date Incorporated
Consumer	
The Highway 26 Co-operative Seed Cleaning Plant Limited	May 27, 1982
Regina City Policemen's Association Co-operative Limited	June 23, 1982
Community — Recreation	
Tompkins Community Centre Co-operative	Jan. 26, 1983
Wapiti Valley Ski Co-operative Association	Feb. 24, 1983
The Red River Roping and Riding Co-operative Association Limited	Feb. 28, 1983
Community - Service	
Val Marie Bus Line Co-operative Limited	May 4, 1982
Carlyle and District Farmers' Market Co-operative Limited	May 13, 1982
Idylwyld Child Care Co-operative	May 25, 1982
Magic Moments Co-operative Playschool Limited	May 31, 1982
Silton Co-operative Playschool	May 31, 1982
Children's Community Co-operative Daycare	June 16, 1982
Saskatchewan Commercial Fishermen's Co-operative Federation Limited	June 14, 1982
The Regina General Hospital Daycare Co-operative	July 29, 1982
Building Blocks Co-operative Play School	Aug. 10, 1982
Cathedral Area Co-operative Day Care	Aug. 16, 1982
Yorkton Nursery School Co-operative	Aug. 18, 1982
Saskatchewan Federation of Seed Cleaning Co-operatives Limited	Aug. 30, 1982
Reliance Day Care Co-operative	Sept. 15, 1982
Wynyard Co-operative Nursery School	Sept. 21, 1982
The Candle Lake Co-operative Volunteer Fire Department Limited	Sept. 27, 1982
Rink Avenue Day Care Co-operative	Sept. 27, 1982
Wynyard Wee Care Co-operative Preschool	Oct. 18, 1982
Fort Qu'Appelle Native Child Care Co-operative	Nov. 2, 1982
Lakeland Preschool Co-operative	Dec. 22, 1982
Co-operative Coin des Petits Limitee	Dec. 29, 1982
North Central Child Care Co-operative Association	Jan. 4, 1983
Rocanville Co-operative Playschool	Jan. 12, 1983
Southern Plains Indian Handicraft Co-operative	Feb. 4, 1983
Conseil de la Co-operation de la Saskatchewan Limited	Feb. 10, 1983
Glencairn Child Care Co-operative	Feb. 15, 1983
Warman Co-operative Nursery School	Feb. 16, 1983
Little Poppets Nursery School Co-operative	Feb. 24, 1983
Laird Bus Line Co-operative Association	March 1, 1983
Small World Day Care Co-operative	March 23, 1983
Continuing Housing	
Terra Housing Co-operative Limited	April 22, 1982
Meadow Lark Housing Co-operative Limited	May 6, 1982
Crestview Housing Co-operative Limited	May 10, 1982
Connaught Village Housing Co-operative Limited	March 24, 1983
Homebuilding	
Total — 66 (Not listed because of short term incorporation)	
Co-operative Production Associations	
Co-operative Taxi Line Regina Limited	April 5, 1982
Sturgis "Nanan" Women Sewing Co-operative Limited	July 13, 1982
Group 5 Co-operative Gallery Limited	Aug. 12, 1982

Co-operative Examination Services Branch

- maintains the register of co-operatives in Saskatchewan;
- administers an examination and "early warning system" to monitor the performance of co-operatives and credit unions;
- acts as an "Ombudsman" for co-operative member complaints;
- secretariat to the Co-operative Securities Board and the Family Farm Credit Committee;
- compiles aggregate co-operative and credit union statistics.

The Examination Services Branch is staffed by co-operative management advisors located in Swift Current, North Battleford, Yorkton, Estevan, Saskatoon and Regina.

During the year ended March 31, 1983, a total of 107 new co-operatives were incorporated, bringing the overall total of co-operatives and credit unions at that date to 1,329. This total represents 221 credit unions and 1,108 co-operatives. Of the co-operatives, 908 are considered to be non-aligned, or not to have a central body capable of providing them with needed management support services.

Registry Services
The branch maintains the register of co-operatives and credit unions in Saskatchewan including those out of province co-operatives which have been registered in Saskatchewan for various purposes.

All applications for incorporation are reviewed to ensure that proper documentation, viability and bylaw requirements have been met. A register is maintained recording all incorporations, amalgamations, dissolutions, changes to bylaws, and special resolutions. The registry function ensures that groups seeking a co-operative charter understand and fulfill the principles of co-operation.

On request, assistance is provided to co-operatives and credit unions in preparing bylaws or amendments to be presented to members. Bylaws are reviewed carefully to ensure compliance with existing provincial legislation.

During the year, the branch worked closely with the Development Branch to ensure that members and boards updated their bylaws and policies to better reflect current conditions. In addition, the branch carried out an update program with co-operatives so that boards of directors better understand the requirements for submitting financial statements and annual returns.

Credit Unions
The branch carries out an in-depth examination and monitoring program of all credit unions in the province. The objective is to do an examination of all credit unions at least once every eighteen months. The major thrust of the examination program is to ensure members' equities are given adequate protection, that sound business practices are being carried out, and that pertinent legislation, namely the Credit Union Act, Standard Bylaws and Supplemental Bylaws are being adhered to. Branch staff, in addition to conducting examinations, held follow up meetings with credit unions boards of directors to discuss the results of the examination. In 1982-83, 178 credit unions and branches were examined. This is an increase of 48 when compared to 1981-82.

During the year, the Mutual Aid Board began the process of changing people's perception as to its method of operation and funding. The board worked with the department to change its objectives to become more visible as a deposit guarantee corporation.

Branch staff continue to work closely with the Credit Union Mutual Aid Board and Credit Union Central in ensuring that credit unions in Saskatchewan remain financially sound. The Mutual Aid Board, established under The Credit Union Act, has a responsibility to monitor financial operations of credit unions.

This past year has been a year of continued growth within the credit union system. Assets have increased approximately $272 million to $3.1 billion, the major portion of this growth being in deposit accounts. Loans outstanding to the members have decreased from $1,974,005,307 on March 31, 1982 to $1,958,423,814 on March 31, 1983 for a decrease of 1%. This decrease was mainly due to higher interest rates in the financial marketplace for the first six months of 1982. Since credit unions were organized, some $9.6 billion has been granted in loans to members.

Co-operatives
The branch monitors financial statements and returns submitted by all of the co-operatives in the province. Irregularities are noted and acted upon as necessary.

As a first priority, examinations are conducted on those co-operatives which have received government funding or guarantees, and secondly on those types of co-operatives targeted as experiencing financial difficulty.

This past year, the Examination Services Branch in conjunction with the Development Services Branch, has worked closely with Federated Co-operatives Limited to clarify respective roles relative to retail co-operatives. The Examination Services Branch will play a more integral role with retail co-operative boards of directors/management personnel in situations where member equity is in jeopardy of becoming impaired if corrective actions are not taken. The main role of branch staff in this instance is to ensure that members are fully aware of the options available to them so that an informed decision as to a future strategy can be made.

The second area of involvement with retail co-operatives is a recently developed examination program which will be carried out in the coming year as a pilot project with a select number of retail co-operatives. This program will be designed to point out legislative responsibilities and irregularities to managers and boards, and to indicate when sound operating policies and procedures are not in place. This project will be reviewed after one year to determine whether or not it is effective.

Member Complaints

The branch acts in the capacity of "Ombudsman" for co-operative and credit union complaints. An investigation is usually carried out to determine the nature and cause of the complaint and what follow-up action is required. The investigation provides an opportunity not only to resolve a specific concern but to assist the organization in developing procedures which will ensure similar problems do not arise. This past year, branch staff handled 156 co-operative member complaints and 65 credit union member complaints.

Statistics

The branch correlates all co-operative and credit union statistics within the province. Credit union statistical information is submitted quarterly and forwarded to the Financial Institutions Branch of Statistics Canada.

Co-operative statistical information is submitted annually and forwarded to the Co-operatives Unit of the Federal Department of Agriculture. Information on aggregate financial trends, membership, directors and equity is available upon request.

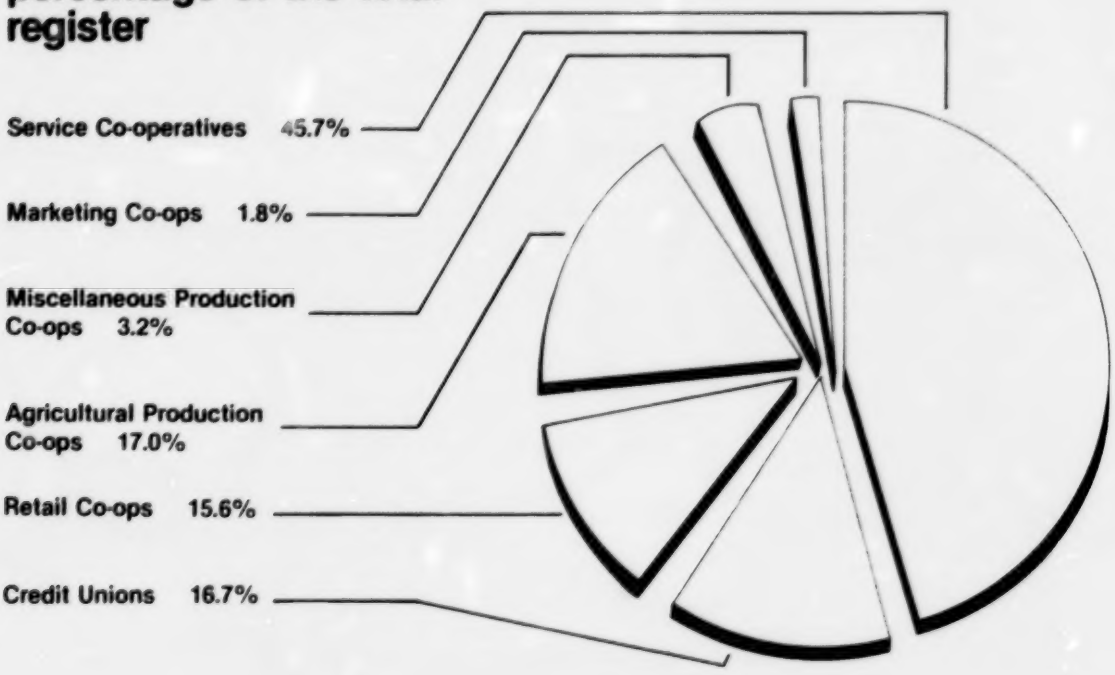
Co-operatives and credit unions incorporated under the four Acts are classified as listed in the following table:*

Table IV

Co-operative Associations Act	
Retail/Consumer	208
Recreational	348
Home Building and Continuing Housing	95
Childcare - Preschool - Playschool	82
Other	82
	815
Co-operative Production Associations Act	
Farms and Machinery	67
Grazing	136
Fodder and Feedlot	16
Artificial Breeding	7
Other	43
	269
Co-operative Marketing Associations Act	
Fishermen	20
Other	4
	24
Credit Union Act	
Credit Unions	221
***Total Associations at March 31, 1982**	**1,329**

*Some central co-operatives are not included in Table IV above because they operate interprovincially under Federal Government charter, or are incorporated under special provincial legislation not administered by this department.

Types of co-operatives and credit unions as a percentage of the total register



Retail Co-operatives: Includes stores and seed cleaning plants. Total 208.

Service Co-operatives: Includes housing, recreation, childcare, playschools, farmers' markets, cable T.V., etc. Total 607.

Agricultural Production Co-operatives: Includes co-op farms, machinery co-ops, grazing, fodder, feeding. Total 226.

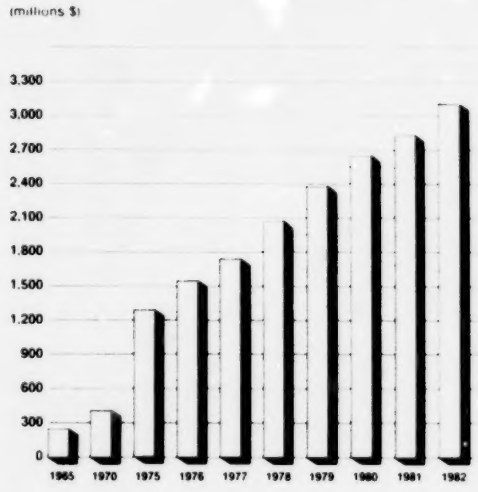
Miscellaneous Production Co-operatives: Includes forest products, crafts, culture and workers' co-operatives. Total 43.

Marketing Co-operatives: Mostly fisherman's co-ops. Total 24.

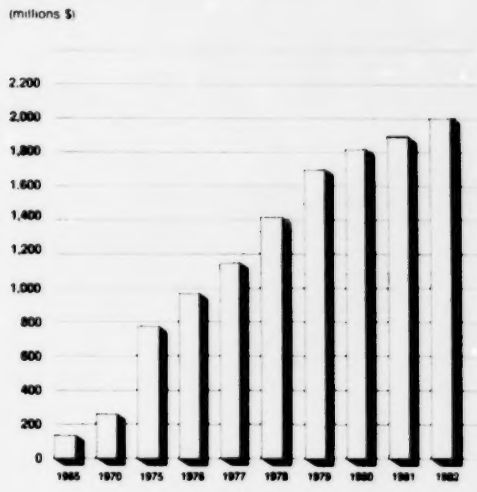
Financial Co-operatives: Credit unions. Total 221.

Credit Union Statistics

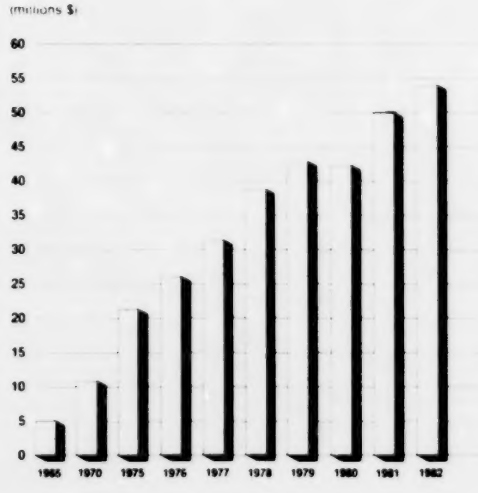
Asset Increase



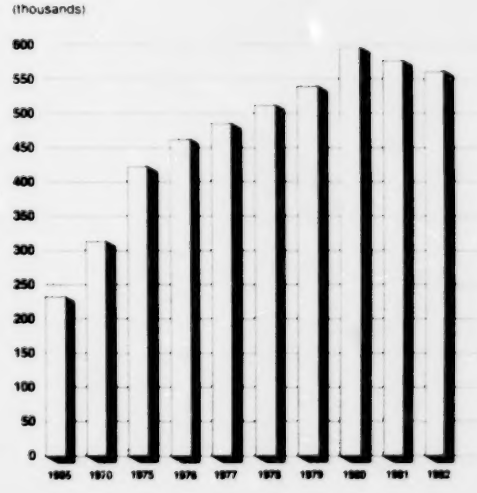
Loans Outstanding

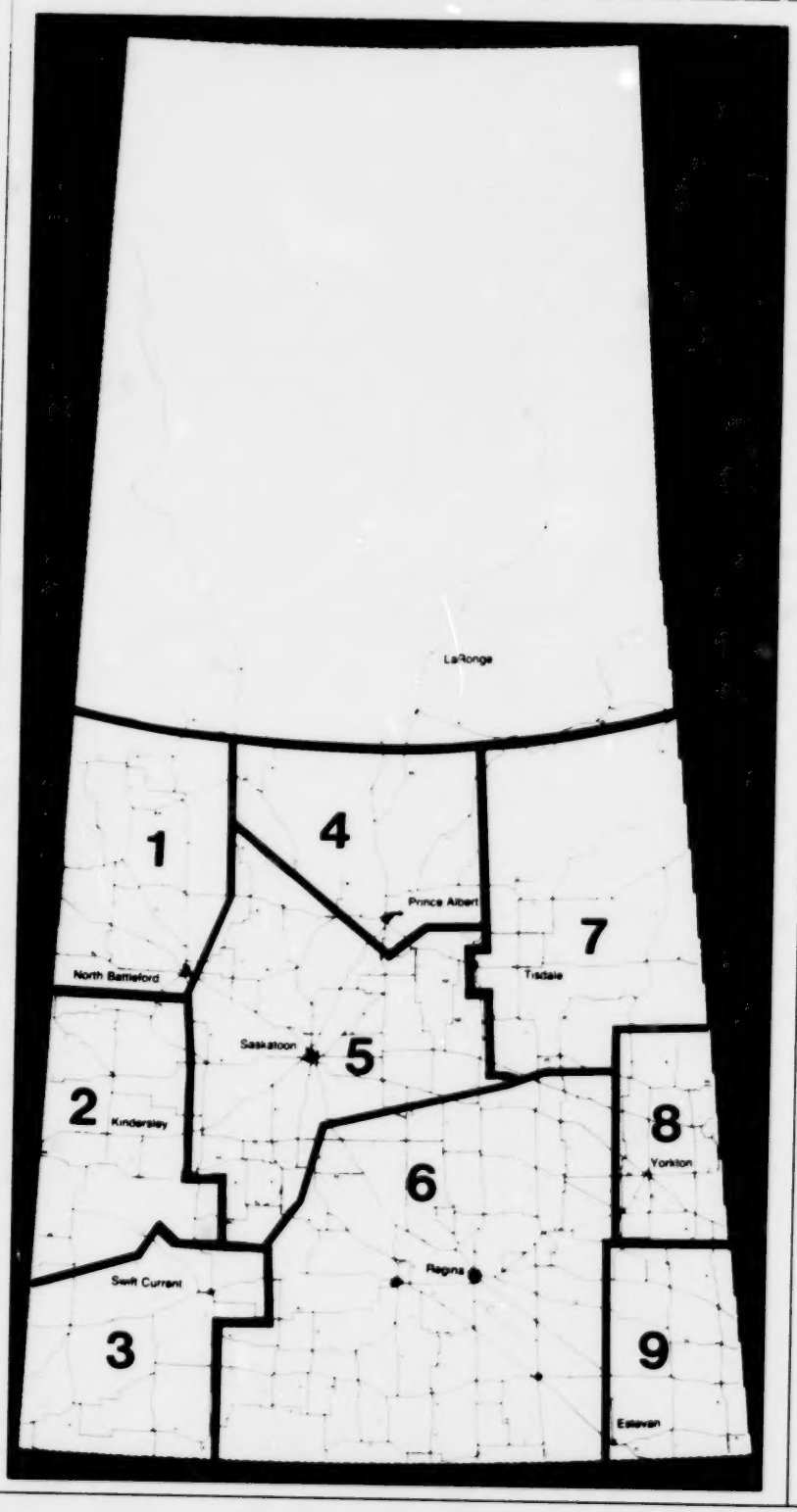


Statutory Reserve



Membership





The 9 district offices of the department.

1. North Battleford
2. Kindersley
3. Swift Current
4. Prince Albert
5. Saskatoon
6. Regina
7. Tisdale
8. Yorkton
9. Estevan

Co-operative Securities Board

In accordance with the provisions of Section 122a of The Co-operative Associations Act 1953, and subsequent amendments, The Co-operative Securities Board was established by Order-in-Council 1284/56, dated June 12, 1956, and has operated continuously since that time. At March 31, 1983, the appointments to the Board were:

Leslie R. Tendler, (Chairman)
David Calibaba
George Claggett
Edward Gebert
Allan Mulholland
Monte Curle (Secretary)

Purpose:
The functions and powers of the Co-operative Securities Board are outlined in Section 131 of The Co-operative Associations Act, Ch. C-34. The board was set up to review issues of securities that are proposed by co-operatives incorporated or registered under The Co-operative Associations Act of Saskatchewan. The appraisal by the board includes a review of the financial position and operating results of these associations in order to determine their capacity to pay interest on, and principal of, the securities as they become due. In cases where the review indicates certain weaknesses in a proposed issue, the board may either turn down the issue or prescribe certain conditions to be put into effect before approval is granted. Furthermore, during the term of an issue of securities, the board may undertake a subsequent review and prescribe further conditions to ensure repayment of principal and interest.

Subsection (3) of Section 131 provides that, pursuant to regulations which may be passed under subsection (2), certain securities issues will not require approval by the board. Exempt from board review are securities issued by companies licensed under The Trust and Loan Companies Licensing Act, 1969 or The Saskatchewan Insurance Act; or securities guaranteed by federal or provincial governments.

Operations for the Year Ending March 31, 1983
During the past year the board held four meetings. Three applications for securities totalling $4,150,000 were reviewed, however only $2,150,000 of securities were approved. In addition to these new applications for securities, the board also reviewed renewal prospectuses in excess of $85 million. The board continued a review of its own operations to date and of many other items regarding securities including redemption funds and administration of specific issues.

Statistical Data on Approved Securities
Co-operatives have generally been using three types of securities: Debentures, Savings Bonds and Saving Certificates.

Debentures have a first mortgage on real property as security. A 100% redemption fund is usually provided or alternatively the co-operative agrees to redeem a certain value of debentures each year. Debentures may be sold to members and the general public.

Savings Bonds, while adequately secured, are not necessarily secured by a first mortgage on real property but rather a second mortgage or some other form of security. Savings Bonds may be sold to members and the public but sales invariably are restricted to members. For the purposes of this report Savings Bonds are included with debentures. Savings Certificates usually do not have security, are for lesser amounts, for shorter terms and may only be purchased by members.

Since inception of the board, 140 issues of debentures and savings bonds worth a total of $405,501,000 have been approved. The actual value of issues still in force is $389,627,000.

203 issues of savings certificates worth $55,699,500 have been approved by the board since its inception. The actual value of issues still in force is $22,056,450.

In addition to the aforementioned debenture, savings bonds and savings certificate issues approved, the board has approved one application for the sale of preferred shares in the amount of $1,000,000. The terms of this preferred share issue were such that it was deemed a security issue and subject to board consideration.

Summary:
Since the Co-operative Securities Board was established in 1956 it has approved 344 applications for the sale of $462,200,500 worth of securities. Except for one issue, where there occurred a loss to investors of $5,300, all securities approved by the Board have been fully redeemed at maturity.

Family Farm Credit Act

Advisory Committee:
In accordance with the provisions of Section 22 of the Family Farm Credit Act 1959, an advisory committee was established to oversee the operations of Co-operative Trust Company regarding loans made under this Act. The members of the committee as of March 31, 1983 were:

Mr. Dale Folstad
Mr. Morley Meiklejohn
Mr. Allan Mulholland
Mr. Monte Curle – Secretary

Loans:
Loans under the Act were made by, and are being administered by, Co-operative Trust Company of Canada. Since 1959, 575 loans were granted amounting to $7,139,181. No new loans have been granted since 1966. The most recent examination indicated there were 79 loans worth $525,223 still outstanding.

Securities:
As permitted in Section 6 of the Act, the government agreed to guarantee the repayment of principal and interest on securities issued by Co-operative Trust Company to raise funds for the purposes of the Act. The amount of securities subsequently sold was $7,140,725. Of this amount, $4,406,600 was purchased by the government. To date, $6,403,425 of securities have been redeemed.

Government Grants:
Section 7 of the Act provides for reimbursement of losses suffered by the Co-operative Trust Company in the course of making family farm loans. No grants were made under Section 7.

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Telephone: 773-4281

Civic Centre
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Tisdale, Saskatchewan
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Telephone: 873-2555

72 Smith Street East
Yorkton, Saskatchewan
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Telephone: 783-3223

Derrick Plaza Building
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